BRITAIN BETWEEN THE WARS.

Most countries went through difficult times in the years between the First and Second World Wars. Many of these difficulties were caused by economic problems such as the Depression, unemployment and inflation. In some countries — Germany, Italy, Russia and the USA, for example — the crisis brought out new people with fresh ideas and adventurous policies. Britain too had economic problems, but the politicians in power during these years were mild, cautious men. There were no vicious dictators in Britain, but there was no New Deal as in the USA either. On the other hand, these were peaceful years in Britain. In contrast to Germany, for example, where hundreds died in street fights, the British generally accepted their problems. Although there were moments when soldiers appeared on British streets, the policies of extremists had little appeal to ordinary people.

Post-war economic problems.

For a year or two after the First World War, there was a brief improvement in the economy. Soldiers left the army and found jobs. Industry supplied the luxury goods which people had not had during the war. However, this little boom soon ended. From 1920 until the Second World War, at least one million, and often more, were unemployed in Britain. Many people only had a few months' work in 19 years.

The main recession was felt in Britain's older industries — coal, steel, textiles, shipbuilding and also in farming. One of the problems was that these industries had been established in the 19th century. Now factories and machines were beginning to get out of date. Countries with new factories and machines could make more goods more cheaply. Even before the war, Britain's older industries had begun to meet serious competition from other countries. To make matters worse, customers had had to look to other countries for supplies during the war. Not all of them turned back to Britain afterwards.

Return to the Gold Standard.

In 1925 Britain 'returned to the Gold Standard'. This means that the pound was backed by gold as it had been before the war. This made the pound a very good, stable currency to buy. The rate of exchange went up against foreign currencies, but this made the price of exports very high. Many foreign customers could no longer afford to buy British products. They could buy cheaper products from other countries.

Post-war prices.

Welfare and housing.

The Liberal Party had made a start on setting up a welfare state before the First World War. Many people had hoped to continue these policies after the war. Promises were made to tackle the great problem of bad housing — the slums which blighted every British city. In 1918 Lloyd George promised returning soldiers 'a country fit for heroes to live in'. This became the slogan 'homes for heroes'. Addison's Act, 1919, made local government responsible for housing needs in their area.

Other improvements in health, education and welfare did not come until after the Second World War, Economic crisis was one reason but over- cautious and unimaginative politicians were also to blame.

The decline of the Liberals.

The Liberal Party had been the main ruling party for eight years before the First World War. However, in 1916 David Lloyd George, a leading Liberal, split from the rest of the party because he disagreed with the way the government was running the war. He formed a coalition with the Conservatives. He was Prime Minister at the head of a small vigorous War Cabinet. He wanted to continue this coalition after the war and won the 1918 election easily. Most of his supporters however were Conservatives. The opposition groups were the Irish (who refused to come to Westminster) the Labour Party and the rest of the Liberals. For the next few years, Labour gradually grew stronger. They became the main opposition party replacing the Liberals. Labour, with its close links with the trade unions and its bases during these years in industrial cities, seemed the obvious voice for working people. However, while Labour was growing and Liberalism declining, the governments remained mainly Conservative, or Conservative-dominated coalitions.

In 1922, the Conservatives refused to back Lloyd George any longer. A purely Conservative government was formed, and in 1923 Stanley Baldwin became its leader. He was Prime Minister from the 1923 to 1929 and from 1935 to 1937. Baldwin like to give the impression of being a solid country farmer, but he was in fact a clever man, with business experience.

The first Labour government.

After the 1924 election, the Conservatives were the biggest single Party, but held fewer seats than Labour and Liberals combined. The King asked Ramsay MacDonald, the Labour leader, to become Prime Minister of the first-ever Labour government. However, MacDonald had to rely on Liberal support to stay in power. Many people were worried at the idea of a Labour government, but Ramsay MacDonald was far from being a ‘Red Revolutionary’.

His cabinet included an engine-driver, a steelworker and a millworker, though its members wore top-hats for official occasions. They worked hard to make Labour appear a ‘respectable’ party.

MacDonald could only pass laws which the Liberals would agree to. The most important was Wheatley’s Housing Act, 1924, which gave loans to local councils to build cheap good houses to rent.

In the autumn of 1924, the Liberals refused to back MacDonald any longer. An election was then called, and Baldwin was returned as Conservative Prime Minister. His Minister of Health, Neville Chamberlain, improved pensions for widows and the old, and reorganised the system of unemployment benefit. During this time the country was plunged into the events which became known as the General Strike.

The General Strike in 1926.

The coal industry was typical of Britain’s older industries. In the nineteenth century, coal was the basis of Britain’s industrial strength and was ex- ported abroad on a large scale. During the First World War the mines had been taken away from their private owners and run by the government. Wages were good, and the miners’ unions wanted this government control to continue. In 1921, the mines were handed back to their private owners. Many pits were old and expensive to run and their machinery was out-dated. The depression in British industry reduced demand for coal at home. Coal prices fell dramatically.

Even so, because of the return to the Gold Standard the price of coal was still too high for foreign buyers. Private owners wanted a profit from their mines. The only way they felt they could do this with prices falling and markets shrinking was to Cut wages.

The hard conditions in mining made the miners unwilling to compromise.

The Triple Alliance.

A popular idea among socialist trade unionists at this time was syndicalism. They believed that several Trade Unions should go on strike together to bring the country to a halt and so take over the government for working people. In the years after the Russian Revolution of 1917 this did not seem so unlikely.

The miners' union planned to increase their strength by combining with the railwaymen and the transport workers unions in a 'triple alliance'. A strike in one of these industries usually stopped work in the other two, so it seemed sensible for them to join together to increase their strength.

When the owners proposed wage-cuts in 1921, the miners called a strike. They asked their two allies to support them, but the other two unions felt the Miners were being obstinate and refused. Miners called this Black Friday, 1921. After a long, bitter strike, they had to go back to work at the lower wages.

In 1925 prices dropped again and the owners proposed an increase in hours worked per day from seven to eight, and a reduction in pay. The triple alliance held together this time. Faced with a big strike, Baldwin granted a subsidy to keep wages up and hours down for nine months. This was called Red Friday, 1925. The government however, felt that it could not subsidise the miners for ever and prepared for a show-down. It set up the OMS (Organisation for the Maintenance of Supplies).

This was a system of volunteers who would keep the country going in a crisis. The miners' leaders also prepared. They asked for the support of the TUC (Trades Union Congress), the body representing all unions. The TUC was not keen, but agreed when the mine owners announced terms of longer hours and lower wages after the subsidy ended. However, the TUC made little preparation for a General Strike by all workers. They thought the government would pay up again to prevent it happening. Baldwin, on the contrary, was ready when the subsidy ended on 1 May and made no more offers. With many TUC leaders unhappy about it, a General Strike was called for 4 May 1926.

The strike itself.

A General Strike is a strike of workers from all the major industries. In 1926, in addition to the miners, the railwaymen, transport workers, builders, chemical workers, printers, engineers, gas workers and shipbuilders came out. Industry and transport came to a halt. City streets were clogged as people tried to drive to work. There were no newspapers. Many children could not get to school. Office workers slept at their offices or in hotels. The TUC had deliberately not called out health, water, sanitation or food workers. Nevertheless, between three and four million out of five and a half million trade unionists stopped work.

The OMS set to work as planned. Middle-class men and women and students drove buses and trains, unloaded ships and tried to keep things going. Sometimes they made mistakes, and some- times they were attacked by strikers:

Since no newspapers were printed, news was difficult to get. The BBC had just started and took the government view of the Strike. On Baldwin's instructions, Ramsay MacDonald, the Labour leader, and the Archbishop of Canterbury, who wanted peace, were both forbidden to speak. Winston Churchill set up a newspaper called The British Gazette, to give the government point of view, while the TUC put their point of view in their paper, The British Worker. In fact, the Strike was very peaceful. No shots were fired in anger. There was some destruction: for example an express train was derailed.

The morale of the strikers was high. They felt they had solid backing for their strike, and although the country was not in chaos, they had shown their strength. The OMS could not keep things going for long. The volunteer workers and students would sooner or later have to return to their jobs and studies. The TUC leadership, however, was unhappy with the situation. They did not like being accused of attacking the constitution. After nine days, they called off the strike on the basis of some vague promises by Baldwin.

The miners fought on, alone. They stuck to their slogan of 'Not a minute on the day, not a penny off the pay'. In the end, they were driven back to work.in November 1926, seven months after the General Strike. Their strike pay was not enough for their families to live on. In the face of hunger, they returned to work bitterly. Their strike had been a failure, but the defeat built up a mood of resentment which lasted through two generations.

LABOUR VICTORY.

The government followed up its victory. The Trades Dispute Act 1927 made sympathetic strikes (one union striking in support of another) illegal. Many strikers returning to work were victimised by their employers. Union membership declined. Many working people turned instead to the Labour Party. In the 1929 election, Labour became the biggest single party for the first time ever. Ramsay Mac- Donald became Prime Minister, but could still be out-voted if Conservatives and Liberals combined against him.

THE GREAT DEPRESSION.

Ramsay MacDonald soon had to face a major eco- nomic crisis. The Wall Street Crash, in October 1929, had brought ruin to the US economy. From 1924 onwards the USA had lent 5.7 billion dollars abroad, half of the sum to Europe. These loans were now drastically cut. The effect of this was to bring severe depression and unemployment to most industrial countries.

Britain was a trading nation and needed to sell to other countries. Its customers now had no money to spend.

Ramsay MacDonald took Britain off the Gold Standard in 1931. This move lowered the value of the pound and made exports less expensive, but it was not enough. By 1932 there were nearly three million unemployed in Britain: one in five of the working population.

Ramsay MacDonald's answer to this crisis was the same as a Conservative Prime Minister's: to cut public spending. He proposed cuts in the dole, in salaries of teachers, soldiers, policemen and civil servants.

The Labour Party split over these proposals. Ramsay MacDonald decided to put the crisis in the country before his loyalty to the Labour Party and became Prime Minister of a National Government, a coalition with Conservatives and Liberals.

The National government.

The Labour Party felt he was putting the bankers before the people and expelled him from the Party. The National Government ruled Britain from 1931 to 1939, with opposition from a much-reduced Labour Party and a few Liberals.

In another attempt to save money, the government introduced a means test in 1931. This meant that officials came round to investigate everybody who claimed the dole to see if it should be cut. If you had some savings, then you could not receive dole; if your child had a part-time job, your dole was cut. If you had some valuable item at home, it had to be sold; if a widowed father moved in with one of his married children, his dole would be cut.

The means test saved some money, but it was hated because of its petty interference in people's lives.

The Jarrow Crusade.

By 1934, there was some recovery in economy and by the mid-1930s some parts of Britain were doing quite well.

When the ship- building yards closed down, nearly all the workers in the town lost their jobs. In 1936, 200 Jarrow 'crusaders' marched to London with a petition for the Prime Minister.

There were many 'hunger marches' in the 1930s, but the Jarrow Crusade got the most publicity. The marchers arrived in London, and delivered their petition asking for contracts for government ships to be placed at the Jarrow yard. Then they caught the train back, to find that their dole money was cut while they were on the Crusade because they had not been 'available for work'.

The kind of government spending the Jarrow marchers wanted was suggested by the British economist JM Keynes. Hitler and Roosevelt, in very different ways, took up his ideas but British politicians rejected them.

Agriculture continued to go through difficult times. Corn prices were low, so farmers turned to livestock instead.

This process was called "the drift of the land".

Economic recovery.

New industries, in new areas, prospered. Electrical goods, household goods, aeroplanes, cars and chemicals all did well.

For workers in these factories and in the service industries wages were steady and prices were falling.

Many people began to enjoy new pleasures, like radio, cinema and new cars.

Political life.

in 1935, Ramsay MacDonald gave way to Baldwin, the Conservative Leader, as Prime Minister of the National Government.

When Baldwin retired in 1937, Neville Chamberlain took over as Prime Minister.

A little was done for the unemployed: in 1935 the cuts made in 1931 were removed. In 1937, a system of special loans for hard-hit areas was set up. These measures were too late but after the Second World War these ideas developed further.

Through it all, the unemployed made little real protest and extremist political parties had little support. The Communist Party never had more than one Member of Parliament. Sir Oswald Mosley, a former Labour Cabinet Minister, set up a Fascist Party called the British Union of Fascists (BUF) in 1932.

The BUF gained some support, and there were battles between the Fascists and their opponents in the East End of London in 1936. Soon the wearing of uniforms was banned by the Public Order Act of 1937, and Mosley's 'private army' was disbanded. He was arrested when the war began.

The British people rejected fascism as an option for them.

The abdication of Edward VIII.

People seemed more stirred by the Abdication Crisis of 1936. In January of that year King George V died. The new King, Edward VIII, was relaxed, informal, fun-loving and unmarried. He had also shown some sympathy for the unemployed in South Wales, following a visit there. Later in 1936, he declared that he wanted to marry an American divorcee, Mrs Wallis Simpson. Baldwin and the Archbishop of Canterbury said that she would not be acceptable as Queen. Edward abdicated in order to marry her, and his brother became King George VI.

The Second World War.

Chamberlain's policy of building up the armed forces from 1938 did gradually bring employment back to many areas. By 1940 the country was fighting for its life in the Second World War. Chamberlain had resigned, and in the crisis Britain turned to a man mistrusted in the years of peace.